Office of Economic Development Accountability Report for Fiscal Year 2002-2003

December 4, 2003

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Accountability Statement

The accountability report for The Office of Economic Development (OED) for the year ended March 31, 2003, is prepared pursuant to the *Provincial Financial Act* and government policy and guidelines. These authorities require the reporting of outcomes against the OED business plan information for the fiscal year 2002-2003. The reporting of OED outcomes necessarily includes estimates, judgments and opinions by department management.

We acknowledge that this accountability report is the responsibility of department management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the business plan for the year.

Ernest L. Fage
Minister

Robert A. MacKay
Chief Executive Officer

Message from the Minister

I am pleased to present the Accountability Report for the Office of Economic Development (OED). This report reflects the department's efforts to achieve the priorities outlined in the 2002-2003 Business Plans.

The past year, 2002-2003 was one of transition due to the merger of the former Department of Economic Development and the Technology and Science Secretariat and subsequent restructuring to form the Office of Economic Development. The restructuring has had a positive impact on how the provincial government supports economic growth. The new office has combined government's role in economic development policy-making with its role in technology and innovation. Combining these elements creates an opportunity for improved support for sustainable and productive communities, businesses and government.

The Office of Economic Development has been working diligently with our partners to achieve our goals in an efficient and effective manner so that we are accountable to the people of Nova Scotia.

Introduction

The Office of Economic Development (OED) was created in March 2002 by combining the Nova Scotia Department of Economic Development (NSED) with the Technology and Science Secretariate (TSS). This accountability report is based on the goals, priorities and outcomes set out in the separate NSED and TSS Business Plans prepared before the merger. It should be read in conjunction with the original NSED and TSS business plans. The report provides an account of progress made with relation to the goals, priorities and outcomes set out in those business plans and also describes other significant activities.

Impact of Restructuring

The 2002-2003 fiscal year was one of transition. In March 2002, Premier Hamm announced the merger of NSED and TSS to form a new Office of Economic Development (OED). The merger was the next logical step in a restructuring process which began in 2002 with the introduction of the Province's economic growth strategy, *Opportunities for Prosperity*, the realignment of TSS, and the creation of Nova Scotia Business Inc.(NSBI). Following the announcement of the merger, during the first half of 2002-2003, extensive design work took place to build an integrated OED. New structures and systems were put in place, staffing competitions held and staff consolidated at a single site at the Maritime Centre. The restructuring took time and energy. Some activities and outcomes included in the original NSED and TSS business plans were not achieved. Explanations are given in this report.

NSED and TSS prepared separate business plans for 2002-2003. The accountability report has been done in two sections. This report considers the progress and accomplishments of OED relative to the original two business plans.

Due to the reorganization, there are some outcome measures in this report where limited information is available. For any outcome that was not reached an explanation is given as to why this is the case.

Schedule of Events

The following table provides a general outline of the formation of the new OED.

Event	Time
Release of *Opportunities for Prosperity*	October 2000
Launch of NSED & NSBI	April 2001
Merger of NSED & TSS to form OED	March 2002
Restructuring and Staffing of OED Complete	Fall 2002

Department Progress and Accomplishments

Nova Scotia Economic Development
Progress and Accomplishments

Core Business Area: Business Climate

Priority 1: *Develop and use tools for monitoring Nova Scotia's business climate.*

2002-2003 Accomplishment: After the release of the 2002 Business Climate Index (BCI), OED staff held extensive consultations with the business community through presentations to Chambers of Commerce throughout the province. Detailed written comments came from the Atlantic Canada Opportunities Agency, Human Resources Development Canada and the Metropolitan Halifax Chamber of Commerce. Consultations provided constructive criticism. Many suggestions were incorporated into this year's index.

Based on stakeholder feedback, the NS Business Climate Index was updated in 2002-2003 and is ready for release. The 2003 BCI builds on the original BCI and uses additional resources identified from consultations and feedback from the federal/provincial business-climate working group. In the new BCI, one indicator was dropped and two new ones added. Many indicators were revised to reflect the use of the most up to date changes in Statistics Canada data.

Priority 2: *Prepare and implement an action plan to improve Nova Scotia's business climate.*

2002-2003 Accomplishment: Four action areas were specified in the 2002 Business Climate Index.

Action Item	Action
Stabilize Electricity Costs	Implement Energy Strategy - Electricity Marketplace Governance Committee to be established in April 2003
Increase Immigration	Provincial Nominee Program - August 2002
Stabilize Workers' Compensation Premiums	Dorsey Report Implementation - July 2002
Increase Innovation and Patents Granted	Nova Scotia First Fund - March 2003 & Innovative Nova Scotia Strategy - to be released in June 2003

Priority 3: *Develop and implement an agreement to attract new immigrants interested in setting up businesses in Nova Scotia.*

2002-2003 Accomplishments: The Nova Scotia Provincial Nominee Program (NSPNP) was signed with Citizenship and Immigration Canada (CIC) in August 2002. OED has established the parameters, questionnaires, and procedures for accepting and processing Immigrant Nominee Applicants. The program is now being actively marketed.

Core Business Area: Strategic Services

Priority 1: *Guide the implementation of OfP and make modifications designed to keep the overall strategy relevant to changing provincial circumstances.*

2002-2003 Accomplishment: "Opportunities for Prosperity: A Progress Report" was published to assess *OfP*'s continued relevance and to make necessary adjustments to keep Nova Scotia's economic development on track.

2002-2003 Accomplishment: To improve support for *OfP*, NSED and NSBI were created in 2001-2002, subsequently NSED merged with TSS to create the new OED. The merger provided a fresh approach to supporting economic development and advancing the overall provincial economic development, innovation and technology agendas.

Priority 2: *Develop and implement a provincial industrial benefits program.*

2002-2003 Accomplishment: In the aerospace and defense field especially, OED has built healthy working relationships with key players, including original equipment manufacturers and major prime contractors, who have negotiated strategic alliances and supply linkages with many local companies. Nova Scotia is well positioned to benefit from major crown project activity. OED continues to manage the industrial benefits file including major federal project procurement. OED is the major advocate for provincial interests.

Priority 3: *Together with Nova Scotia Transportation and Public Works, implement the Nova Scotia Business Opportunities Initiative to increase awareness of NS companies and their products and services*

Nova Scotia Transportation and Public Works (TPW) has taken the lead role on this initiative - OED continues to provide support.

2002-2003 Accomplishment: Media advertising and solicitation from businesses and Regional Development Authorities (RDAs) occurred following workshops held in Amherst and Yarmouth.

2002-2003 Accomplishment: Work is underway to establish a directory of sheltered workshops in Nova Scotia.

2002-2003 Accomplishment: Joint Federal/Provincial/MASH sector /minority community relationships have been established to coordinate efforts, share information and increase awareness.

Priority 4: *Provide corporate advice on trade issues and trade disputes.*

2002-2003 Accomplishment: OED worked closely with provincial and federal trade partners to identify the trade opportunities and challenges facing Nova Scotia businesses. This collaboration produced a research document that outlines the issues facing Nova Scotia exporters and the gap between exporter needs and government services. The Management Team for Trade Team Nova Scotia [OED, NSBI, Atlantic Canada Opportunities Agency (ACOA), Industry Canada-International Trade Centre (IC-ITC), and Enterprise Cape Breton Corporation (ECBC)], produced the Province's first Integrated Trade Strategy with several key deliverables designed to bridge the identified gaps. OED's Trade Policy Director was transferred to IGA and OED staff provided advice and support to the IGA trade policy team which took the lead in advancing Nova Scotia's position in trade disputes like softwood lumber.

Priority 5: *Together with our corporate partners and the federal government, improve the information available on Nova Scotia's economy which will, in turn, provide for better decision-making.*

2002-2003 Accomplishment: The Office of Economic Development, in collaboration with the Atlantic Canada Opportunities Agency, planned a policy research forum for June 2003. Partners will combine research efforts in order to provide better information on Nova Scotia's economy.

2002-2003 Accomplishment: The Business Climate Index has helped both government and business understand the challenges facing Nova Scotia. Working with the Regional Development Authorities and NSBI, OED has helped build the website "TargetNovaScotia.com" - which makes detailed information on Nova Scotia's economy accessible to site selectors and other investors.

Core Business Area: Rural Development

Priority 1: *Implement Community Economic Development policy and assist communities in transition, like Cape Breton.*

2002-2003 Accomplishment: Community Development Policy:

-Formed Provincial Government Advisory Group on Community Development
-Formed Deputy Ministers Steering Committee
-Began process of developing a new Community Development Policy

2002-2003 Accomplishment: Numerous internal and external stakeholder consultations were undertaken to assist in the development of a Cape Breton Marketing Program. A Program Model was developed and submitted to senior management and the Minister's office for review and

direction regarding implementation.

2002-2003 Accomplishment: Team Guysborough developed the Canso Recovery Strategy, built around the principle of stabilizing the fisheries situation, while also diversifying the local economy to provide employment for displaced workers.

2002-2003 Accomplishment: A service package was developed to support the implementation of *OfP* in rural areas and assist communities in economic transition.

2002-2003 Accomplishment: The province continued to support The Cape Breton Growth Fund through the provision of finances and staff. The Growth Fund has contributed to the creation of 2,800 jobs in Cape Breton since its inception, with an estimated 297 jobs created for 2002-2003.

Priority 2: *Lead the implementation of OfP in rural Nova Scotia.*

2002-2003 Accomplishment: OED's Community and Rural Development Branch introduced a service package to lead the implementation of *OfP* in rural communities. The service package includes five elements; support for:

- Planning for Rural Economic Growth
- Opportunity Identification
- Developmental Planning
- Project Implementation
- Education and Communication

Priority 3: *Strengthen relationships with partners, particularly NSBI, RDA's and municipalities.*

2002-2003 Accomplishment: OED's Chief Executive Officer (CEO) led monthly meetings with the CEOs of each of the five implementing Agencies which report to the Minister of Economic Development: InNOVAcorp, Nova Scotia Business Inc., Nova Scotia Film Development Corporation, Trade Centre Limited, and Waterfront Development Corporation Limited. The meetings expand ongoing communication, allowing each of the organizations to use available resources within the economic development system in the most effective and efficient manner possible.

Staff from OED's new Decision Support Unit met with the CEO and representatives of each of the Agencies to identify issues where OED may be in a position to provide assistance. Communication is ongoing.

OED has conducted joint orientation and planning sessions with both InNOVAcorp and NSBI. At each of these sessions, the CEO of each respective agency provided general information on their organization, which was followed with more in depth discussions. Several working groups/ relationships have since been established, or are in the process of being established. This is having a positive impact on the communication between the organizations. Work continues on this effort.

2002-2003 Accomplishment: Community and Rural Development Branch.

- Signed MOUs with Le Conseil de développement économique de la Nouvelle-Ecosse. (CDENE) and the Nova Scotia Coop Council to improve collaboration with these organizations.
- Established long-term funding arrangements for RDAs and the new RDA Association.
- Put in place a long-term funding arrangement for support to the Nova Scotia Co-op Council
- Continue to provide funding to the Black Business Initiative.

Core Business Area: Program Management and Operations

Priority 1: *Design and develop infrastructure for all programs including common protocols, better database management, standardized reporting and evaluation for departmental programs.*

2002-2003 Achievement: A project data base was developed for use by NSED, Service Nova Scotia and Municipal Relations, Tourism & Culture to manage jointly funded projects.

Priority 2: *Coordinate the Education Marketing Program.*

2002-2003 Accomplishments: The Education Marketing Program received $2.3 million through the Economic Diversification Agreement (EDA). It was a four year program involving Nova Scotia community colleges, and universities. The project's EDA funding ended in June, 2003 and the program will be independently evaluated. Since the beginning of the Education Marketing program 672 new visa students have been enrolled in Nova Scotia universities. This represents an overall increase of 51%.

Priority 3: *Manage projects assigned to the department, particularly large-scale ones designed to meet strategic economic development needs.*

2002-2003 Accomplishment: OED initiated the Shearwater Aerospace Action Committee (SAAC) and took an active role along with relevant federal departments, Halifax Regional Municipality (HRM), Greater Halifax Partnership (GHP), and others with a desire to have Shearwater developed as an Aeronautic Industrial Park.

2002-2003 Accomplishment: OED worked with local suppliers and major profile prospective contractors to position Nova Scotia for maximum economic benefit from the Maritime Helicopter Program when it is finally tendered. OED worked closely with the Aerospace and Defense Industries Association of Nova Scotia on this file.

2002-2003 Accomplishment: OED collaborated with business, provincial and federal partners to keep the Cape Breton and Central Nova Scotia Railway running.

Section B

Technology and Science Secretariat
Progress and Accomplishments

Core Business Area: Corporate Strategies

Priority 1: *Continue the development of the Technology Management Program with a specific focus on the following components:*

- *Management of Infrastructure Shared Services Implementation*
- *Data Centre Strategy*
- *Application Hosting Strategy*

2002-2003 Accomplishment: Management of Infrastructure Shared Services Implementation:
The purpose of this initiative is to develop and implement a cost effective and efficient service delivery model. Technical services such as help desk, network server support, PC support and IT training were included in the model.

- A service delivery model based on IT Infrastructure Library (ITIL) best practices, as well as a business case, implementation plan and budget were completed and presented to the Business & Technology Advisory Committee (BTAC) for approval. A decision was made not to advance with full implementation, but to find ways to implement the principles of the model. This resulted in a new project to formalize the regional support pilot. This initiative is currently underway and sponsored by the IT Directors Forum (ITDF).

2002-2003 Accomplishment: Data Center Services Project:
The main purpose of this project is to competitively acquire a vendor to deliver Data Center Services on behalf of the Nova Scotia government. The project is managed by OED in partnership with Transportation and Public Works (TPW).

- Alternatives and recommendations were completed.
- Phases defined and consultations with over 30 stakeholders provided input into the approach and contents.
- The Request for Proposals (RFP) will be developed in the 03/04 fiscal year. Service requirements will be confirmed and vendor consultations conducted.
- Target date for RFP release is Fall of 2003.

2002-2003 Accomplishment: Application Hosting Strategy:

The purpose of this initiative is to develop a strategy and criteria for determining the technical architecture and the required services for small, medium and large scale applications or business solutions.

- Project was lead by TPW with OED providing staff resources.
- Strategy was completed and presented to ITDF.
- The research material and strategy are being utilized by the Data Center Services project in the development of the RFP.

2002-2003 Accomplishment: Telecom Acquisition Strategy:
Negotiations and finalization of a provincial contract for telecom services (local, long distance, cellular and data services) were undertaken. This component of the initiative was owned by TPW with key management from OED.

Priority 2: *Continue the development of the Information Management Program with a specific focus on the following components:*

- *Information policy framework*
- *Information and Document Management (eg: Filenet)*
- *Establishment of information-protection and security program*

2002-2003 Accomplishment: Information Policy Framework:
Wide Area Network (WAN) Security Policy

- WAN security policy approved.
- Communication and implementation plans were developed.
- Awareness sessions carried out across government and readiness surveys developed.
- OED is working with TPW to establish a Security Authority position to manage the implementation and ongoing operation of the policy across government.

Web Site Privacy Policy

- Policy drafted and modified based on feedback received.
- Guidelines were established for dealing with any privacy breaches.
- Formal approval of the policy will be sought next fiscal period.

Distribution and sale of Government-held information

- A draft policy was circulated for wide spread review and feedback. This feedback is currently under review and, upon completion, formal approval for implementation will be sought.

Authentication Policy Framework

- This policy is being developed to ensure protection of electronic transactions.
- Development of the framework began in OED with Service Nova Scotia (SNS) & Municipal Relations (MR) as the test department.

- The Project has been transferred to SNS&MR to complete the framework and apply it to their business requirements for electronic transactions. OED will continue to be involved.

2002-2003 Accomplishment: Information and Document Management:

- Corporate License agreement was negotiated on behalf of the Nova Scotia Government.
- Evaluation template was developed for the five Filenet pilots.
- All five pilots have completed their evaluations.
- Currently resolving several technical issues identified in the proof of concept pilot projects.
- Filenet steering committee is led by OED.
- Recommendations on document management standard depending on the resolution of issues.

2002-2003 Accomplishment: Information Management Framework:

- OED founded a government-wide Information Management (IM) Forum. This forum is chaired by OED and focuses on Corporate IM issues and initiatives.
- Initial planning underway to develop the Information Management Framework for the provincial government.

Priority 3: *Continue to provide support to the Business and Technology Advisory Committee (BTAC) and the Information Technology Directors Forum (ITDF)*

2002-2003 Accomplishment: OED continues to provide secretariat support to BTAC. OED monitors, analyses, reports and recommends to BTAC on corporate IT issues and opportunities. OED participates in the ITDF and provides leadership, management and staff resources to IT strategy, policy, method and standard projects. OED also provides representation on the National Public Sector Council in Canada and provides support to the Business Solutions Forums and Infrastructure Forum. Various policies and strategies were advanced through these Forums in 2002-2003 and are reflected throughout the other priorities of OED.

Priority 4: *Lead and coordinate the development of an e-Government Strategy*

2002-2003 Accomplishment: Developed a proposed scope and approach for e-Government strategy development. Currently developing an RFP for consulting services to work with OED and other provincial departments to define and build the e-government framework.

- Advance e-government through our support in the development of a SAP portal standard.

- Organized and hosted the annual IT Info Fair. Approximately 150 participants from private and public sector organizations attended. The provincial government IT community presented IT/Business initiatives currently underway or in the planning stages that may be of interest to private sector organizations.

Priority 5: *Establish a SAP Program Management Office.*

2002-2003 Accomplishment: SAP Projects Office monitors, analyses, reports and recommends on matters pertaining to the Provincial Municipalities Universities Schools and Hospitals (MASH) sector initiatives.

- Conducted Provincial/MASH sector workshops to understand client expectations of the SAP Projects Office.
- Developed proposed structure, staff requirements and a high level plan. Budget acquired for the upcoming year to operationalize the Projects Office.
- SAP Projects Office operates in partnership with the Department of Finance.
- Provided support for the Department of Health with the development of a SAP Health sector implementation strategy.

E-Merge:
OED provides the leadership and management for a SAP HR/Payroll project. This project will implement a HR/payroll solution for the provincial government and seven school boards.

- Project Charter was delivered containing a framework, estimated budget and risk management methods. This charter was approved in January, 2003.
- Established the project scope and a detailed project plan for the Planning and Scoping phase, as well as a high level plan for the Blueprint.
- 10 workshops were conducted to validate scope and priorities, as well as 35 awareness presentations across the provincial government and educational sector.
- Created a governance structure for the project and an approval process for business processes changes.
- Hired and trained public sector staff for the SAP development team.
- Project will continue to progress through its milestones and phases in the next fiscal year.

Core Business Area: Provincial Technology and Innovation Initiatives

Priority 1: *Provide a visible, coordinated provincial-government point of contact for technology, innovation and research and development, to help advance the growth of these key sectors.*

2002-2003 Accomplishment: Through support of BTAC, the IT Directors Forum and through ongoing project activity, OED continued to provide an ongoing active, corporate-government focal point for IT policy, strategy, and planning.

2002-2003 Accomplishment: On the R&D/Innovation front, OED along with the Departments of Education and Finance, represented the Government of Nova Scotia on the Beneficiaries Committee, which was established to administer the distribution of the $15 million Nova Scotia Research and Innovation Trust Fund (RITF). The fund was established in 2001 by the Government of Nova Scotia to provide matching support for N.S. research institutions and researchers in order to leverage national research award programs; most notably awards from the Canada Foundation for Innovation (CFI).

2002-2003 Accomplishment: OED carried out consultations with a selected group of innovative firms to provide input on the direction and focus of the provincial innovation policy, *Innovative Nova Scotia*. This input was used to help formulate specific recommendations for the development of the Strategic Direction component of the *Innovative Nova Scotia* draft document.

Priority 2: *Enhance research, development and innovation systems and linkages through establishment and support of the pending Premier's Council on Technology and Innovation and other collaborative initiatives.*

2002-2003 Accomplishment: The Premier's Council on Technology and Innovation was not established during fiscal 2002-03. However, OED staff continued to work with key innovation partners (e.g. universities, colleges, other levels of Government, the private sector), on a general basis, as well as on specific projects, including the administration of the RITF and the *Innovative Nova Scotia* finalization process.

Priority 3: *Build on the foundations for growth in the Nova Scotia information technology sector by further developing the Federal-Provincial Information Economy Initiative and its investment strategies and development partnerships, and link its work with the strategic directions of the Opportunities for Prosperity Strategy.*
2002-2003 Accomplishment: Along with ongoing monitoring and support of the Information Economy Initiative (*iei*) projects and initiatives, during 2002-2003 the following activities were undertaken:

iei entered into an agreement with Membertou First Nation for an IT Training and Development Project for Operating Systems Engineers (Microsoft Certification). This multi-partner project will be conducted over the next 3 years and has a planned sustainability component built into it so that on-going training and development needs will be met by members of Membertou First Nation for members of Membertou First Nation. Membertou will be using this capacity to build on its portfolio of international corporate collaboration and partnership arrangements.

iei Universities entered a new dimension of development through a joint session of collaboration and project development. Several OED partners participated in this initial session.

iei University-Acadia (AITT) completed its project in March 2003 and will be submitting its final report in fiscal year 2003-2004. The project was completed on time, within budget and exceeded its project targets. Significant investment capability was achieved and has enabled Acadia to pursue national and international contracting opportunities that, without *iei* investment, would have been difficult to attain.

iei Strategic Initiatives funding was identified and established to enable new, as well as on-going projects, to build on the foundation investments of Phase 1.

Strategic integration of *iei* with the *Opportunities for Prosperity* Digital Economy growth opportunity was initiated and continues.

Priority 4: *Ensure continuing, affordable public access and use of information technology through the further development of the Industry Canada Community Access Program and the network of Nova Scotia public access sites.*

2002-2003 Accomplishment: The focus around the CAP program in Nova Scotia shifted from CAP site establishment to the ongoing sustainability of the 380 individual CAP locations currently in place throughout the province. Development and evaluation of CAP-based usage programs are ongoing in areas such as E-learning, E-business and E-service delivery.

Priority 5: *Provide Provincial government leadership and coordination for the further development of Smart Communities throughout Nova Scotia.*

2002-2003 Accomplishment: OED continued to support Smart Community projects in Nova Scotia. OED also continued to provide direct representation as a member on the Board of the Western Valley Smart Community Project.

Priority 6: *Lead the implementation process for the revised Research Development and Innovation Strategy.*

2002-2003 Accomplishment: The existing draft of the Research Development Innovation (RDI) policy document was revisited, revised and re-titled *Innovative Nova Scotia.* Focused consultation was carried out and as a result, recommendations were developed and incorporated into a draft Strategic Direction section of the document. The draft policy remained an internal-government document during fiscal 2002-2003.

Priority 7: *Monitor the quality of Nova Scotia's IT, technology and innovation assets, the results achieved and the innovation processes in place (with particular emphasis on rural areas) and ensure that the Government is getting the best possible leverage from its related investments.*

2002-2003 Accomplishment: This remained an ongoing activity of OED during 2002-03 in support of policy, strategy and project work/efforts of the organization.

Priority 8: *Participate in and support the Nova Scotia Sustainable Communities Initiative (SCI).*

2002-2003 Accomplishment: OED continued to provide the provincial Co-Chair role for SCI during 2002-03. Several OED staff were active on SCI field teams.

Priority 9: *Participate, with other partners, in the improvement of science promotion and awareness throughout the province.*

2002-2003 Accomplishment: OED participated as a member of the event Steering Committee and provided support funding for the 2002 Discovery Centre Science Conference and the Discovery Awards for Science & Technology 2002.

Priority 10: *Provide ongoing provincial leadership to make the most of the positive impact of telecommunications-related policy and infrastructure development.*

2002-2003 Accomplishment: OED continued to coordinate the provincial Telecommunications Acquisition Strategy process. The provincial government telecommunications services RFP (approximate value $12 million per year) was issued, responses were evaluated and contracts awarded to Aliant Telecom. Two resulting contracts were signed late in 2002-2003 and the remaining 2 contracts will be awarded in early 2003-2004 by Aliant and the Department of Transportation and Public Works.

2002-2003 Accomplishment: OED participated on the Nova Scotia BRAND Steering Committee which oversaw the initial review and ranking of Nova Scotia project proposals. BRAND (Broadband for Rural and Northern Development) is an Industry Canada program, launched in September 2002, which seeks to assist a community's ability to gain access to broadband network infrastructure. OED also provided funding and other support to Nova Scotia BRAND project components to assist with the preparation of their project proposals.

Financial:

Nova Scotia Economic Development

Nova Scotia Economic Development			
Core Business	**Budgeted Amount**	**Actual Amount**	**Explanation of Variance.**
Business Climate	**$624,000**	**$159,665**	**Vacancies and operational savings plus additional recoveries from the Immigration program[1]**
Strategic Services	**$2,175,000**	**$1,562,736**	**Consulting services and support services not utilized and other operational savings1**
Rural Development	**$2,066,000**	**$1,887,347**	**Vacancies, travel savings and other operational savings**
Program Management and Operations	**$22,153,000**	**$20,851,718**	**Delays in EDA projects, other funding requests/projects that did not materialize and other operational savings which were partially offset by an increase to the Loan Valuation Account**
Administration and Support	**$3,767,000**	**$2,929,641**	**Vacancies and other operational savings such as leases and taxes**
Total	**$30,785,000**	**$27,391,107**	

[1]Merger and restructuring significantly altered the original staffing and program arrangements in these two core business areas.

Technology Science Secretariate

Technology and Science Secretariate			
Core Business	**Budgeted Amount**	**Actual Amount**	**Explanation of Variance**
Corporate Strategies	$1,717,500	$1,262,262	Reduction in IT Consulting costs, travel and supplies and services costs and salary recovery
Provincial Technology and Innovation Initiatives	$955,800	$1,143,112	IT Consulting costs partially offset by reduced travel and meeting expenses and salary savings from vacancies
Administration and Support	$577,700	$528,865	Reduced professional services, travel and training costs
Total	$3,251,000	$2,934,239	

Outcomes Measures

This section reports on each of the department's measures highlighted in the 2002-03 Business Plan. Some of the outcome measures have limited information due to the restructuring of NSED and TSS to form OED and the consequent changes in staffing.

Nova Scotia Economic Development
Outcome Measures

Outcome: Most Competitive business climate in Atlantic Canada
Measure: Business Climate Index

Introduction to the core business area and intended outcome:
Improving the business climate has been a key part of the mandate of economic development departments since the Economic Renewal Agency Act of 1994 which stated, "create and maintain a strong and positive development climate for business and industry within the province." Improving the business climate of Nova Scotia was the number one issue identified by the Red Tape Reduction Task Force and the *Opportunities for Prosperity* consultation process.

To measure the business climate, NSED produced the first Business Climate Index (BCI), in June 2002. It measures Nova Scotia's business climate and compares it with other provinces. It provides a roadmap for building a more competitive business climate. In the first BCI Nova Scotia's business climate ranked fourth in Canada and first in Atlantic Canada.

In 2002-03, OED developed an updated version of the BCI using newer data. It assesses the general business climate level across 53 indicators and then ranks the province on each of these relative to other provinces. Details of the index, its components and methodology are available at http://www.gov.ns.ca/econ/businessclimate. The second BCI will be released shortly and work has begun on the third edition.

What does the Measure tell us?
Data compiled for the index helps pinpoint areas where Nova Scotia needs to improve. Each year action plans are developed to strengthen weaker areas.

Where are we now?
The BCI demonstrates that Nova Scotia has the most competitive business climate in Atlantic Canada. For the second year, using newer data, Nova Scotia maintains this ranking.

Where do we want to be in the future?
Nova Scotia's challenge is to maintain the best business climate in Atlantic Canada, improve our national ranking and close the gap separating the province from the leaders in the area.

Measure: Number of nominee certificates issued to immigrants

Introduction to the core business area and intended outcome:
Attracting skilled and entrepreneurial immigrants who will improve the business climate in Nova Scotia is a key OED priority. The Nova Scotia Provincial Nominee Program Agreement gives the province a more active role in attracting immigrants and filling skills gaps.

What does the Measure tell us?
The measure will tell us how many new immigrants, who will improve Nova Scotia's business climate, have been identified and can establish themselves in Nova Scotia.

Where are we now?
The province signed its nominee agreement in August 2002. No nominee certificates were issued in 2002-2003 but the procedures for the program were developed. OED is now ready to interview potential immigrant nominees and issues certificates.

Where do we want to be in the future?
The nominee program allows the province to nominate up to 1,000 immigrants over 5 years. Nova Scotia plans to fully utilize this capacity.

Measure: State of infrastructure

The BCI does include some infrastructure measures; "Highway Deficiency", "Internet Use" and "sewage treatment", but these need additional development work.

Due to the restructuring no staff person was assigned to lead the initiative to determine the state of Nova Scotia's infrastructure. This situation will be reviewed in 2003-2004

Measure: Regular reports on the labour market

Introduction to the core business area and intended outcome:
OED's main focus on labour market information concerns the demand side as well as the skills and human capital that are required to create a thriving economy. Strategic planning and analysis of this information will help OED with other policy areas like immigration and business climate and ensure that employers in Nova Scotia are able to attract and retain the skills they need to grow and maintain their businesses.

What does the Measure tell us?
Regular labour reports will identify and address skills gaps, help meet the needs of Nova Scotia's labour market and provide information to better plan for economic growth.

Where are we now?
Under the Skills agenda, the Department of Education leads on labour market initiatives. OED has been working with the Department of Education on the following initiatives:

- The Nova Scotia Federal-Provincial Labour Market Information Committee has completed an assessment of labour market needs in Nova Scotia.
- A new edition of Career Options: An Occupational Handbook for Nova Scotians has been published.
- The province is participating in a national oil and gas sector council investigation of labour demand issues.
- A study is being undertaken by the Atlantic Home Building and Renovation Sector Council to determine demand and supply for construction workers in the sector.
- OED is also working with RDAs to develop detailed regional labor market information.

Where do we want to be in the future?
OED is particularly interested in the demand side of labour market information. What do businesses need? OED, through its work on economic immigration and regional labour demand issues, will contribute to the provincial approach as spelled out in the Skills Agenda.

Outcome: Growth in the Nova Scotia Economy
Measure: Strategy Report Card

Introduction to the core business area and intended outcome:
Opportunities For Prosperity - Nova Scotia's economic growth strategy - was launched in October 2000. In November of 2002, Gardner Pinfold Consulting economists completed an evaluation of the strategy implementation.

What does the Measure tell us?
This measure indicates the progress made toward achieving the goals and objectives of *OfP*.

Where are we now?
The evaluation showed considerable progress had been made toward achieving the long term objectives of the strategy. It also identified a number of areas where additional effort is necessary. Seventeen of the planned initiatives were complete or howing considerable progress. Thirty six were underway and showing some progress. Nine were considered "on-going". One showed no progress to date. An evaluation framework that includes a clear structure of accountability was required and is being developed.

Progress made toward the six larger outcomes of the strategy were reported by Gardner Pinfold as follows:

Desired Outcome	Outcome
Balanced Budget by 2002-2003	Budget was balanced for 2002-03
Increase Employment by 20,000 by 2005	Increase of 12,700 to September 2002
Investment above national average by 2005	Investment at 83% of national average
Export expansion of 40% by 2005	From 1991-2002 Exports increased by 41.6%
GDP above National Average by 2010	NS doubled national average of 1.2%
Consistent net in-migration by 2010	8/1000 net immigration in 2000/2001

Where do we want to be in the future?
Strategy Implementation continues. There is currently an opportunity to revisit and renew the goals, objectives and priorities of the strategy in light of the three years of economic progress and change since the strategy was released.

Outcome: Trade agreements that help Nova Scotia expand exports.
Measure: Client satisfaction survey.

Where are we now?
Changes in the structure have delayed progress in this outcome area. Trade is de-centralized in Nova Scotia. Different provincial departments sign trade agreements in their markets. NSED signed a Trade Agreement with Iceland and participated in and led several trade missions (multi-sectoral and sector specific) . However, other departments also sign trade-related agreements (eg. Environment, Tourism, Agriculture & Fisheries, Education).

Where do we want to be in the future?
OED will work with other key players on the trade support field to develop and implement a provincial strategy to achieve the export goals spelled out in *Opportunities for Prosperity*. A coordinated approach to international trade at the provincial level would ensure that all departments are working toward the same objectives. An improved communication process would ensure that trade agreements are strategic and can be acted upon by a range of companies.

The strategy will include clear outcomes, and appropriate new measures.

Outcome: Increase Nova Scotia business participation in major procurement programs
Measure: An increased number of outside contracts.

Introduction to the core business area and intended outcome:
This measure helps identify the number of new outside contracts to measure the increase in Nova Scotia Business participation in major procurement programs.

What does the measure tell us?
This measure monitors success in attempts to increase business participation in crown procurement.

Where are we now?
This is a continuing process. It is difficult to measure outcomes until a major crown project has been awarded. OED continues to advocate for Nova Scotians interests.

Where do we want to be in the future?
Nova Scotia wants more companies aligned with successful prime contractors on large national and international contracts. Participation in these projects will increase employment and exports.

Measure: An increase in the rate of participation by Nova Scotia companies in crown procurement.

This is the same as the previous outcome. It is difficult to measure until a major crown project has been awarded.

Outcome: Increased Regional Economic capacity that supports economic growth
Measure: Regions with stable or increasing economic capacity. The average percentage improvement in economic capacity of regions.

Introduction to the core business area and intended outcome:
Following the merger of NSED with TSS to form OED, the function and structure of the Rural Development Branch was reviewed. By February 2003, the Community and Rural Development Division (CARD) was created. New regional economic capacity measures have not been developed.

What does the measure tell us?
The measurement of economic capacity in the regions of Nova Scotia will demonstrate how regions are performing and whether all the factors are in place to contribute to economic growth in a particular region.

Where are we now?
The development of baseline measures is in process as part of the Community Development Policy.

There has been considerable progress made by many of the 13 Regional Development Authorities in measuring their progress against their own region's annual business plans, and longer term strategies for that region's economic growth. Many rural regions are displaying increased expertise in this area. However, as of March 31, 2003, it is still not possible to compare the growth of the province's various regions employing a single set of agreed-upon, consistently measured indicators of social and economic health or capacity for growth.

Where do we want to be in the future?
During Fiscal 2003-04, the CARD Division will liaise with the recently formed "Community Development Advisory Group", and other provincial partners, to determine what indicators best measure economic capacity in regions and communities economic health.

By the end of 2004-2005, OED should be able to begin using the results of economic and social indicators from each region of Nova Scotia to influence the development or realignment of policies and annual business plans. The indicators will help the Division set realistic and measurable goals to facilitate the economic growth strategy outlined in *Opportunities for Prosperity.*

Outcome: Successful Projects
Measure: Indices that measure economic development in *OfP* priority sectors.

Introduction to the core business area and intended outcome:
The measure is being developed to track strategic projects focussed on the goals of OED's business plan. The tracking system will examine both programs and their projects.

What does the measure tell us?
This measure will allow OED to evaluate programs and make decisions regarding improvments.

Where are we now?
Due to the reorganization of OED, there has been limited progress on this measure. Some individual projects have been measured. OED has put into place an operations plan for 2003-04, which will improve the monitoring of project outcomes.

Where do we want to be in the future?
OED will have an Operations Plan to track projects and measure levels of success.

Technology and Science Secretariate
Outcomes Measures

Outcome: Leadership in Corporate Information and Technology.
Measure: Level of Client Satisfaction

Given the 02/03 fiscal year was one of transition for TSS, the reorganized OED focused on awareness and feedback sessions with our clients during the development of our vision, mission and mandate to provide them with an opportunity for information sharing.

Measure: Percentage of Projects on time, within budget.

Introduction to the core business area and intended outcome:
This is an important indicator as it shows wether OED is meeting its project expectations.

What does the measure tell us?
If we are keeping with our time lines and within budget.

Where are we now?
The IT Strategies projects were delivered within the budget allocated to them. In some cases time lines were increased to incorporate more consultation and it took more time then expected to move the initiatives through the review/approval processes.

Where do we want to be in the future?
Continue to have all projects delivered within the budget and on time.

Outcome: I&T in Government is guided by clear and effective strategies, policies and standards.
Measure: Percentage of strategic, policy, and standard recommendations presented to BTAC and IT Directors Forum that are accepted and implemented.

Introduction to the core business area and intended outcomes:
It is important to know the level of success that OED has when recommendations are presented so that is possible to tell if strategies are clear and effective.

What does the Measure tell us?
Success level of standard recomendations to BTAC and IT Directors Forum.

Where are we now?
All policies and strategies presented to BTAC were accepted and approved with one exception; Integrated Shared Services project.

Where do we want to be in the future?

Acceptance of all recomendations defined in corporate strategists Business Plan.

Measure: Level of Compliance in Government

Introduction to core business area and intended outcome:
The government will increase the benefits from investments in information and technology by progressively maturing in its use of policies and standards to guide the use of information and technology across the organization. The benefits include technology that is easier to operate and provides better security and reliability, reduced costs, as well as common technology approaches that become more familiar and useful to the client business areas.

What does the measure tell us?
The measure will tell us whether the policies and standards have been properly developed and implemented. Lack of compliance to corporate standards is as likely a result of bad standards or weak implementation than of any failure on the part of the client organizations.

Where are we now?
Organizational maturity in its use of policy and standards is a long term effort requiring support from all levels. The restructuring of the Strategic Initiatives group, that combined this area of responsibility with a role in economic development, has resulted in delays in implementing this measure.

Where do we want to be in the future?
An organization where information and technology policies and standards are developed and implemented in response to the changing needs of business and capabilities of technology. The policies and standards are widely accepted and followed in the organization and seen by client organizations as supporting their effective use of information and technology.

Outcome: Expanded sustainability community-based IT infrastructure access.
Measure: Number of active public access to internet site locations.

Introduction to Core Business Area and intended outcome:
The Community Access Program, (CAP), is a federal-provincial initiative designed to create and expand affordable access to the Internet in communities across Canada. The establishment of long-term sustainable CAP sites throughout Nova Scotia represents a tangible step towards the goal of developing the community-based technology infrastructure needed to help foster economic and social growth opportunities for Nova Scotians.

What does the measure tell us?
The number of active CAP sites provides an indication of the level of public access to the Internet currently available in Nova Scotia. The measure is also important in terms of evaluating progress towards the site rollout provision of the Industry Canada-Government of Nova Scotia Community Access Program Memorandum of Agreement.

Where are we now?
Under the terms of the Industry Canada-Government of Nova Scotia Community Access Program Memorandum of Agreement, the established target for CAP site establishment was set at 239 sites by April 2002. This target was exceeded; a total of 245 individual contracts were signed with community groups. In fact, as a result of these contractual arrangements, 354 actual CAP site locations have been established across the province.

Measure: Percent of operational public access site locations, both in the short and longer term.

Introduction to Core Business Area and intended outcome:
Working with regional partners, such as Regional Development Agencies and libraries, to develop long and short-term sustainability plans. By holding stake-holder forums, we are working towards a collaborative plan to build greater use for both citizens, community and all levels of government to take advantage of this infrastructure to deliver information and services. The forums will also help build community economic and social capacity.

What does the measure tell us?
This measure provides an indication of the longer term viability of the public investment in the CAP program in Nova Scotia. Sustainability of CAP site locations is also a key indicator of the level of acceptance and productive utilization of CAP by Nova Scotian communities and community members.

Where are we now?
The longer term viability of CAP site locations is dependent on a number of variables, most notably the challenge of maintaining the necessary volunteer staff and level of financial resources needed to keep a site operational. The first CAP site locations were established in Nova Scotia in 1996, the site establishment phase of program wrapped up in June 2001. Approximately 98% of the total CAP sites established over the 1996 - 2001 period were still operational by April 2003.

Where do we want to be in the future?
The longer term objective is to maintain at least 75% of Nova Scotian CAP sites over the longer term, 2004-2005.

Outcome: Expanded technology, science and innovation related infrastructure.
Measure: Extent of leveraged, partnership-derived resources.

Introduction to Core Business Area and intended outcome: Expanding provincial technology, science and innovation infrastructure necessitates making the most of existing resources through leverage and partnerships. The Technology and Science Secretariat has successfully developed and

coordinated partnered projects such as the Community Access Program and the Information Economy Initiative, which have maximized the potential benefits partnerships afford. Building on these efforts and working towards establishing additional federal-provincial and other partnership opportunities is an OED priority.

What does the measure tell us?
The measure provides an indication of the extent of leveraged technology, science and innovation infrastructure related resources brought into the province.

Where are we now?
The Information Economy Initiative (*iei*) has generated approximately $93 million in total funding over the 1998-2003 period.

The Community Access Program (CAP) has leveraged approximately $13 million in total funding over the 1999-2003 period.

Where do we want to be in the future?
A target of $50 million of new, leveraged funding over the 2001-2005 period was included in the 2002-2003 Technology and Science Business Plan. Progress made during 2002–03 included the following:

- An additional $2.74 million was secured for CAP sustainability funding for the 2002-2004 period.
- The federal-provincial Sustainable Communities Initiative received $301,500 in funding during fiscal 2002-2003.